

A-427-820
A-475-829
A-580-847
A-412-822
Sunset Reviews
Public Document
Office 1: ART

DATE: May 25, 2007

MEMORANDUM TO: David M. Spooner
Assistant Secretary
for Import Administration

FROM: Stephen J. Claeys
Deputy Assistant Secretary
for Import Administration

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Stainless Steel Bar from France, Italy, South Korea, and the United Kingdom; Final Results

Summary

We have analyzed the responses of the interested parties in the sunset reviews of the antidumping duty orders covering stainless steel bar (“SSB”) from France, Italy, South Korea, and the United Kingdom. We recommend that you approve the positions described in the Discussion of the Issues section of this memorandum. Below is the complete list of the issues in these sunset reviews for which we received substantive responses:

1. Likelihood of continuation or recurrence of dumping
2. Magnitude of the margins likely to prevail

History of the Orders

The Department of Commerce (“Department”) published its final affirmative determinations of sales at less than fair value (“LTFV”) in the *Federal Register* with respect to imports of SSB from France, Italy, South Korea, and the United Kingdom at the following rates.¹

¹ See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from France, 67 FR 3143 (January 23, 2002); Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from Italy, 67 FR 3155 (January 23, 2002) amended at 67 FR 8228 (February 22, 2002); Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from Korea, 67 FR 3149 (January 23, 2002); and Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from the United Kingdom, 67 FR 3146 (January 23, 2002).

France

Aubert & Duval, S.A.	71.83
Ugine-Savoie Imphy, S.A. ²	3.90
All Others	3.90

Italy

Acciaierie Valbruna S.p.A./	
Acciaierie Bolzano S.p.A.	2.50
Acciaiera Foroni S.p.A.	7.07
Trafilerie Bedini, Srl (“Bedini”)	1.70 ³
Rodacciai S.p.A.	3.83, as amended
Cogne Acciai Speciali Srl	33.00
All Others	3.81

South Korea

Changwon Specialty Steel Co. Ltd.	13.38
Dongbang Industrial Co., Ltd.	4.75
All Others	11.30

United Kingdom

Corus Engineering Steels, Ltd.	4.48
Crownridge Stainless Steels, Ltd. ⁴	125.77
Firth Rixson Special Steels, Ltd.	125.77
All Others	4.48

The Department later published in the *Federal Register* antidumping duty orders on SSB from France, Italy, South Korea, and the United Kingdom.⁵

Since the issuance of the antidumping duty orders, the Department has conducted two administrative reviews with respect to SSB from France,⁶ two administrative reviews with

²The Department later determined that Ugitech S.A. was the successor-in-interest to Ugine-Savoie Imphy, S.A. See Stainless Steel Bar from France: Final Results of Antidumping Duty Administrative Review, 70 FR 46482 (August 10, 2005).

³Because this margin is *de minimis*, Bedini was excluded from the order.

⁴The Department determined that Valkai Ltd. was the successor-in-interest to Crownridge Stainless Steels, Ltd. See Notice of Final Determination of Sales at Less than Fair Value: Stainless Steel Bar from the United Kingdom, 67 FR 3146 (January 23, 2002) and the accompanying Issues and Decision Memorandum at Comment 2.

⁵See Antidumping Duty Order: Stainless Steel Bar from France, 67 FR 10385 (March 7, 2002); Notice of Antidumping Duty Order: Stainless Steel Bar from Italy, 67 FR 10384 (March 7, 2002); Antidumping Duty Order: Stainless Steel Bar from Korea, 67 FR 10381 (March 7, 2002); Antidumping Duty Order: Stainless Steel Bar from the United Kingdom, 67 FR 10381 (March 7, 2002). All orders were amended at Notice of Amended Antidumping Duty Orders: Stainless Steel Bar from France, Germany, Italy, Korea, and the United Kingdom, 68 FR 58660 (October 10, 2003).

⁶See Stainless Steel Bar from France: Final Results of Antidumping Duty Administrative Review, 70 FR 46482 (August 10, 2005); and Stainless Steel Bar from France: Final Results of Antidumping Duty Administrative Review, 71 FR 30873 (May 31, 2006).

respect to SSB from Italy,⁷ and one administrative review with respect to SSB from the United Kingdom.⁸ There is an ongoing administrative review of SSB from the United Kingdom, the preliminary results of which were published on March 30, 2007.⁹ Final results are due no later than July 30, 2007. The Department has conducted no administrative reviews with respect to imports of SSB from South Korea.

On March 1, 2007, the Department initiated Section 129 proceedings to implement the findings of the WTO Panel in US Zeroing (EC).¹⁰ On February 26, 2007, the Department issued preliminary results.¹¹ On April 9, 2007, the Department issued its final results.¹² The following three orders were included in the Section 129 Final Results:

France

Aubert & Duval, S.A.	71.83
Ugine-Savoie Imphy, S.A. (Ugitech S.A.)	0.00, revoked
All Others	35.92, as amended

Italy

Acciaierie Valbruna S.p.A./	
Acciaierie Bolzano S.p.A.	0.00, revoked
Acciaiera Foroni S.p.A.	0.00, revoked
Trafilerie Bedini, Srl	1.70, excluded
Rodacciai S.p.A.	0.00, revoked
Cogne Acciai Speciali Srl	33.00
All Others	6.60, as amended

United Kingdom

Corus Engineering Steels, Ltd.	0.00, revoked
Crownridge Stainless Steels, Ltd. (Valkai Ltd.)	125.77
Firth Rixson Special Steels, Ltd.	125.77
All Others	83.85, as amended

There have been no changed circumstances determinations, duty absorption findings, or scope rulings concerning the SSB antidumping orders. The orders remain in effect for all

⁷See Stainless Steel Bar from Italy: Final Results of Antidumping Duty Administrative Review, 69 FR 32984 (June 14, 2004); and Stainless Steel Bar from Italy: Final Results of Antidumping Duty Administrative Review and Rescission of Review, 70 FR 46480 (August 10, 2005).

⁸See Stainless Steel Bar from the United Kingdom: Final Results of Antidumping Duty Administrative Review, 69 FR 10204 (March 4, 2004).

⁹See Stainless Steel Bar from the United Kingdom: Preliminary Results of Antidumping Duty Administrative Review, 72 FR 15106 (March 30, 2007).

¹⁰See Implementation of the Findings of the WTO Panel in US Zeroing (EC): Notice of Initiation of Proceedings under Section 129 of the URAA; Opportunity to Request Administrative Protective Orders; and Proposed Timetable and Procedures, 72 FR 9306 (March 1, 2007).

¹¹See February 26, 2007, Memorandum from Stephen J. Claeys to David M. Spooner entitled, "Calculation of the Weighted Average Dumping Margins."

¹²See April 9, 2007, Memorandum from Stephen J. Claeys to David M. Spooner entitled, "Issues and Decision Memorandum for the Final Results of the Section 129 Determinations" ("Section 129 Final Results").

manufacturers, producers, and exporters of the subject merchandise from South Korea. Trafilerie Bedini, Srl was excluded from the antidumping duty order in the original investigation on Italy because it had a *de minimis* margin in the final determination. Effective April 23, 2007, the French order has been revoked for Ugine-Savoie Imphy, S.A. (Ugitech S.A.); the Italian order has been revoked for Acciaierie Valbruna Srl/Acciaierie Bolzano S.p.A., Acciaiera Foroni S.p.A., and Rodacciai S.p.A.; and the U.K. order has been revoked for Corus Engineering Steels, Ltd.¹³

On February 1, 2007, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on SSB from France, Italy, South Korea and the United Kingdom pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”). See Initiation of Five-Year (“Sunset”) Reviews, 72 FR 4689 (February 1, 2007). The Department received the Notice of Intent to Participate from Carpenter Technology Corp.; North American Stainless; Crucible Specialty Metals Division of Crucible Materials Corp.; Electralloy; Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. (collectively “the domestic interested parties”),¹⁴ within the deadline specified in 19 CFR 351.218(d)(1)(i) (“Sunset Regulations”). The domestic interested parties claimed interested party status under sections 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties with respect to any of the orders covered by these sunset reviews. As a result, pursuant to section 751(c)(4)(A) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of these orders. The domestic interested parties submitted letters on April 12, 2007, agreeing with the Department’s decision to conduct expedited sunset reviews for these orders because we did not receive responses from any respondent interested parties.

Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department conducted these sunset reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and the periods after the issuance of the antidumping duty orders. In addition, section 752(c)(3) of the Act directs that the Department shall provide to the International Trade Commission (“ITC”) the magnitude of the margins of dumping likely to prevail if the orders were revoked. Below we address the comments of the interested parties.

¹³See Implementation of the Findings of the WTO Panel in US - Zeroing (EC): Notice of Determinations Under Section 129 of the Uruguay Round Agreements Act and Revocations and Partial Revocations of Certain Antidumping Duty Orders, 72 FR 25261 (May 4, 2007).

¹⁴Valbruna Slater Stainless, Inc. will remain neutral regarding the continuation of the antidumping duty order against Italy.

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments

The domestic interested parties believe that revocation of these antidumping duty orders would be likely to lead to a continuation or recurrence of dumping by the French, Italian, South Korean, and U.K. manufacturers, producers, and exporters of the subject merchandise due to continued dumping. See Substantive Response of domestic interested parties (March 5, 2007) at 22.

France: The domestic interested parties state that the volume of imports subject to this order declined significantly after the imposition of the order. Domestic interested parties also state that the Department found higher levels of dumping by the principal French producer, Ugine. Thus, the domestic interested parties conclude that the existence of sales at less than fair value and the sharp decline in the volume of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to renewed and even increased dumping. See id. at 24.

Italy: The domestic interested parties state that the volume of imports subject to the order declined sharply after the imposition of the order. Domestic interested parties argue that the increase in imports over the past three years may be attributable to Bedini which was excluded from the order. Domestic interested parties also speculate that other Italian respondents may have also increased their shipments to the United States by continuing to dump. Thus, the domestic interested parties conclude that the continued existence of sales at less than fair value and the sharp decline in subject imports immediately following the imposition of the order demonstrate that revocation of the order would lead to continued dumping and the return of imports to their substantial pre-order levels. See id. at 25.

South Korea: The domestic interested parties state that the volume of imports subject to this order declined significantly after the imposition of the order and has not recovered. Thus, the domestic interested parties conclude that the substantial dumping margins and significant decline in the volume of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See id. at 25-26.

United Kingdom: The domestic interested parties state that the volume of imports subject to this order declined significantly after the imposition of the order and has not recovered. They also state that the dumping margin has been at the high level of 125.77 percent. Thus, the domestic interested parties conclude that the substantial dumping margins and significant decline in the volume of imports following the issuance of the antidumping duty order demonstrate that revocation of the order will certainly lead to a continuation of dumping. See id. at 26-27.

Department's Position

The Department makes its determinations of likelihood on an order-wide basis. See section 751(c)(1) (“{T}he administering authority and the Commission shall conduct a review to determine . . . whether revocation of the countervailing or antidumping duty order . . . would be likely to lead to continuation or recurrence of dumping{.}”) In addition, the Department

normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly. Final Results of Expedited Sunset Review: Tapered Roller Bearings from Hungary, 64 FR 60272, 60273 (November 4, 1999). In addition, pursuant to 752(c)(1)(B) of the Act, the Department considers the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping order.

France: Using statistics provided by the domestic interested parties in their March 5, 2007, substantive response at Attachment 2, the Department finds that imports of SSB from France fluctuated between 8,455 short tons and 4,357 short tons during the 2002 through 2006 sunset review period. The pre-order level in 2001 was 6,695 short tons. Given that dumping continues at above *de minimis* levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

Italy: Using statistics provided by the domestic interested parties in their March 5, 2007, substantive response at Attachment 2, the Department finds that imports of SSB from Italy fluctuated between 30,001 short tons and 13,308 short tons during the 2002 through 2006 sunset review period. The pre-order level in 2001 was 21,878 short tons. Given that dumping has continued at above *de minimis* levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

South Korea: Using statistics provided by the domestic interested parties in their March 5, 2007, substantive response at Attachment 2, the Department finds that imports of SSB from Korea fluctuated between 1,821 short tons and 191 short tons during the 2002 through 2006 sunset review period, but remained significantly below the pre-order volume of 6,473 short tons in 2001. Given that there have been no reviews since the investigation, dumping continues at above *de minimis* levels, and imports are below pre-order levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

United Kingdom: Using statistics provided by the domestic interested parties in their March 5, 2007, substantive response at Attachment 2, the Department finds that imports of SSB from the United Kingdom have fluctuated between 3,306 short tons and 2,279 short tons during the 2002 through 2006 sunset review period, but remained significantly below the pre-order volume of 6,327 short tons in 2001. Given that dumping continues at above *de minimis* levels, and imports are below pre-order levels, the Department determines that dumping is likely to continue or recur if the order were revoked.

2. Magnitude of the Margin Likely to Prevail

Interested Party Comments

France: In their March 5, 2007, substantive response, the domestic interested parties request that the Department report to the ITC the margins that were determined in the final determination in

the original investigation in accordance with the SAA and the Department's Policy Bulletin.¹⁵ See Substantive Response of domestic interested parties (March 5, 2007) at 27-28. The domestic interested parties recommend the following dumping margins: Aubert & Duval, S.A., 71.83 percent; Ugine-Savoie Imphy, S.A. (Ugitech S.A.), 3.90 percent; and for the all others rate 3.90 percent.

Italy: In their March 5, 2007, substantive response, the domestic interested parties request that the Department report to the ITC the margins that were determined in the final determination in the original investigation in accordance with the SAA and the Department's Policy Bulletin. See Substantive Response of domestic interested parties (March 5, 2007) at 27-28. The domestic interested parties recommend the following dumping margins: Acciaierie Valbruna Srl/Acciaierie Bolzano S.p.A., 2.50 percent; Acciaiera Foroni S.p.A., 7.07 percent; Rodacciai S.p.A., 3.83 percent; Cogne Acciai Speciali Srl, 33.00 percent; and for the all others rate, 3.81 percent.

South Korea: In their March 5, 2007, substantive response, the domestic interested parties request that the Department report to the ITC the margins that were determined in the final determination in the original investigation in accordance with the SAA and the Department's Policy Bulletin. See Substantive Response of domestic interested parties (March 5, 2007) at 27-28. The domestic interested parties recommend the following dumping margins: Changwon Specialty Steel Co. Ltd., 13.38 percent; Dongbang Industrial Co., Ltd., 4.75 percent; and for the all others rate, 11.30 percent.

United Kingdom: In their March 5, 2007, substantive response, the domestic interested parties request that the Department report to the ITC the margins that were determined in the final determination in the original investigation in accordance with the SAA and the Department's Policy Bulletin. See Substantive Response of domestic interested parties (March 5, 2007) at 27-29. The domestic interested parties recommend the following dumping margins: Corus Engineering Steels, Ltd., 4.48 percent; Crownridge Stainless Steels, Ltd. (Valkai Ltd.), 125.77 percent; Firth Rixson Special Steels, Ltd., 125.77 percent; and for the all others rate, 4.48 percent.

Department's Position

Normally, the Department will provide to the ITC the company-specific margin from the investigation for each company. See Eveready Battery Co. v. United States, 77 F. Supp.2d 1327, 1333 (CIT 1999). For companies not investigated specifically, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. Certain Hot-Rolled Carbon Steel Flat Products from Argentina, the People's Republic of China, India, Indonesia, Kazakhstan, Romania, South Africa, Taiwan, Thailand, and Ukraine; Final Results of Expedited Sunset Reviews of the Antidumping Duty Orders, 71 FR 70506 (December 5, 2006), and accompanying Issues and Decision Memorandum at Comment 2. The Department's preference for selecting a margin from the investigation is based on the fact that it is the only calculated rate that reflects

¹⁵See Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Policy Bulletin").

the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place. Id. Under certain circumstances, however, the Department may select a more recently calculated margin, to report to the ITC. Section 752(c)(3) of the Act. See, e.g., Final Results of Full Sunset Review: Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide From the Netherlands, 65 FR 65294 (November 1, 2000), and accompanying Issues and Decision Memorandum at Margin Likely to Prevail Comment 3.

Since the investigation, the Department conducted no administrative reviews for SSB from South Korea. Therefore, the Department must determine the appropriate rates to report to the ITC regarding SSB from South Korea. The Department finds that it is appropriate to provide the ITC with the rates from the investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. Thus, the Department will report to the ITC the margins listed in the Final Results section.

Since the investigation, the Department completed two administrative reviews for SSB from France in which Ugitech S.A. was assigned a margin of 14.98 percent in the first review and then 9.68 percent in the second review. In this sunset review, the domestic interested parties request that the Department continue to use the investigation rate. Again, the Department finds that it is appropriate to provide the ITC with the rates from the investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. However, the Department will use the investigation rates as recalculated in the Section 129 Final Results because those rates supersede the original investigation rates. Thus, the Department will report to the ITC the margins listed in the Final Results section.

Since the investigation, the Department completed two administrative reviews for SSB from Italy. In the first review, Foroni received a margin of 4.03 percent and Ugine-Savoie-Imphy S.A. received a margin of 33 percent. The second review was rescinded for the only respondent because there were no shipments, and the Department determined that Ugitech S.A. was the successor-in-interest to Ugine-Savoie-Imphy S.A. In this sunset review, the domestic interested parties request that the Department continue to use the investigation rate. Again, the Department finds that it is appropriate to provide the ITC with the rates from the investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. However, the Department will use the investigation rates as recalculated in the Section 129 Final Results because these rates supersede the original investigation rates. Thus, the Department will report to the ITC the margins listed in the Final Results section.

Since the investigation, the Department completed one administrative review for SSB from the United Kingdom in which Firth Rixson continued to receive a margin of 125.77 percent. In this sunset review, the domestic interested parties request that the Department continue to use the investigation rate. Again, the Department finds that it is appropriate to provide the ITC with the rates from the investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. However, the Department will use the investigation rates as recalculated in the Section 129 Final Results because these rates supersede the original investigation rates. Thus, the Department will report

to the ITC the margins listed in the Final Results section.

Final Results of Review

We determine that revocation of the antidumping duty orders on SSB from France, Italy, South Korea, and the United Kingdom would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (percent)
<u>France</u>	
Aubert & Duval, S.A.	71.83
All Others	35.92, as amended
<u>Italy</u>	
Cogne Acciai Speciali Srl	33.00
All Others	6.60, as amended
<u>South Korea</u>	
Changwon Specialty Steel Co. Ltd.	13.38
Dongbang Industrial Co., Ltd.	4.75
All Others	11.30
<u>United Kingdom</u>	
Crownridge Stainless Steels, Ltd. (Valkai Ltd.)	125.77
Firth Rixson Special Steels, Ltd.	125.77
All Others	83.85, as amended

Recommendation

Based on our analysis of the responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of review in the *Federal Register*.

AGREE _____

DISAGREE _____

David M. Spooner
Assistant Secretary
for Import Administration

Date